

HEALTH QUARTERLY STATEMENT

AS OF September 30, 2004

OF THE CONDITION AND AFFAIRS OF THE

Paramount Care of Michigan

NAIC Group Code	1212	1212	NAIC Company Code	95566	Employer's ID Number	38-3200310
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Date Incorporated or Organized	12/16/1993		Date Commenced Business	06/07/1996		
Statutory Home Office	106 Park Place		Dundee, MI 48131			
	(Street and Number)		(City, or Town, State and Zip Code)			
Main Administrative Office			106 Park Place			
			(Street and Number)			
	Dundee, MI 48131		(734)529-7800			
	(City or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Mail Address	106 Park Place		Dundee, MI 48131			
	(Street and Number or P.O. Box)		(City, or Town, State and Zip Code)			
Primary Location of Books and Records			1901 Indian Wood Circle			
			(Street and Number)			
	Maumee, OH 43537		(419)887-2500			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)			
Internet Website Address	www.paramounthealthcare.com					
Statutory Statement Contact	Jeff Martin		(419)887-2959			
	(Name)		(Area Code)(Telephone Number)(Extension)			
	jeff.martin@promedica.org		(419)887-2020			
	(E-Mail Address)		(Fax Number)			
Policyowner Relations Contact			1901 Indian Wood Circle			
			(Street and Number)			
	Maumee, OH 43537		(419)887-2500			
	(City, or Town, State and Zip Code)		(Area Code) (Telephone Number)(Extension)			

OFFICERS

John Charles Randolph Mr., Chairman
John Charles Randolph Mr., President
Marilyn Naomi Carnell Ms., Vice Chairman
Kathleen S. Hanley Mrs., Treasurer
Jeffrey Craig Kuhn Mr., Secretary

OTHERS

Neeraj Kumar Kanwal Dr
Mark Henry Moser Mr.

Robert James Kolodgy Mr.

DIRECTORS OR TRUSTEES

Thomas Henry Gross Dr.
Heather Ann Socha Ms.

Marilyn Naomi Carnell Ms.
Jeffrey Ray Lewis Dr.
John Charles Randolph Mr.

State of Michigan
County of Monroe ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
John Charles Randolph	Jeffrey Craig Kuhn	Robert James Kolodgy
(Printed Name)	(Printed Name)	(Printed Name)
President	Secretary	Senior Vice President
(Title)	(Title)	(Title)
Subscribed and sworn to before me this	a. Is this an original filing?	Yes[X] No[]
day of , 2004	b. If no,	
	1. State the amendment number	
	2. Date filed	
	3. Number of pages attached	

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds				
2.	Stocks:				
2.1	Preferred stocks				
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$..... encumbrances)				
4.2	Properties held for the production of income (less \$..... encumbrances)				
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....4,469,983), cash equivalents (\$.....) and short-term investments \$.....)	4,469,983		4,469,983	2,909,148
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets				
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	4,469,983		4,469,983	2,909,148
11.	Investment income due and accrued				
12.	Premiums and considerations:				
12.1	Uncollected premiums and agents' balances in the course of collection	298,026	34,468	263,558	614,239
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers				
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans	24,201	24,201		
15.1	Current federal and foreign income tax recoverable and interest thereon ...	285,590		285,590	327,434
15.2	Net deferred tax asset				
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software	2,328	248	2,080	7,089
18.	Furniture and equipment, including health care delivery assets (\$.....)	5,403	2,431	2,972	
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates	1,141,999		1,141,999	779,117
21.	Health care (\$.....) and other amounts receivable				
22.	Other assets nonadmitted	43,194	43,194		
23.	Aggregate write-ins for other than invested assets				
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	6,270,724	104,542	6,166,182	4,637,028
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	TOTALS (Lines 24 and 25)	6,270,724	104,542	6,166,182	4,637,028
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301	.....			
2302	.....			
2303	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	2,869,778		2,869,778	2,069,565
2.	Accrued medical incentive pool and bonus amounts				
3.	Unpaid claims adjustment expenses				
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	374,493		374,493	117,357
9.	General expenses due or accrued	40,596		40,596	52,150
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))				
10.2	Net deferred tax liability	52,608		52,608	52,608
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates	33,176		33,176	506,398
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)				
22.	Total liabilities (Lines 1 to 21)	3,370,651		3,370,651	2,798,078
23.	Common capital stock	X X X	X X X	10,000	10,000
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	5,490,000	3,990,000
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	(2,704,469)	(2,161,050)
29.	Less treasury stock, at cost:				
	29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
	29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	2,795,531	1,838,950
31.	Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	6,166,182	4,637,028
DETAILS OF WRITE-INS					
2101.	0				
2102.	0				
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)				
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	72,224	53,490
2.	Net premium income (including \$..... non-health premium income)	X X X	20,734,654	14,600,004
3.	Change in unearned premium reserves and reserves for rate credits	X X X .....	.....	.....
4.	Fee-for-service (net of \$..... medical expenses)	X X X .....	.....	.....
5.	Risk revenue	X X X .....	.....	.....
6.	Aggregate write-ins for other health care related revenues	X X X .....	.....	.....
7.	Aggregate write-ins for other non-health revenues	X X X .....	.....	.....
8.	Total revenues (Lines 2 to 7)	X X X	20,734,654	14,600,004
Hospital and Medical:				
9.	Hospital/medical benefits		15,668,521	11,043,157
10.	Other professional services .....			.....
11.	Outside referrals .....			.....
12.	Emergency room and out-of-area		1,690,723	683,934
13.	Prescription drugs		1,884,911	1,288,917
14.	Aggregate write-ins for other hospital and medical .....			.....
15.	Incentive pool, withhold adjustments and bonus amounts .....			.....
16.	Subtotal (Lines 9 to 15)		19,244,155	13,016,008
Less:				
17.	Net reinsurance recoveries		102,016 .....	.....
18.	Total hospital and medical (Lines 16 minus 17)		19,142,139	13,016,008
19.	Non-health claims .....			.....
20.	Claims adjustment expenses, including \$.....241,537 cost containment expenses		476,404	93,766
21.	General administrative expenses		1,669,558	1,652,581
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only) .....			.....
23.	Total underwriting deductions (Lines 18 through 22)		21,288,101	14,762,355
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(553,447)	(162,351)
25.	Net investment income earned		11,913	17,334
26.	Net realized capital gains (losses) .....			.....
27.	Net investment gains or (losses) (Lines 25 plus 26)		11,913	17,334
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)] .....			.....
29.	Aggregate write-ins for other income or expenses .....			.....
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(541,534)	(145,017)
31.	Federal and foreign income taxes incurred	X X X		(63,386)
32.	Net income (loss) (Lines 30 minus 31)	X X X	(541,534)	(81,631)
DETAILS OF WRITE-INS				
0601	.....	X X X .....		.....
0602	.....	X X X .....		.....
0603	.....	X X X .....		.....
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X .....		.....
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X .....		.....
0701	.....	X X X .....		.....
0702	.....	X X X .....		.....
0703	.....	X X X .....		.....
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X .....		.....
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X .....		.....
1401	.....			.....
1402	.....			.....
1403	.....			.....
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			.....
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			.....
2901	.....			.....
2902	.....			.....
2903	.....			.....
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			.....
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above) .....			.....

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	1,838,950	2,422,404
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	(541,534)	(484,028)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	(1,885)	(99,426)
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in	1,500,000	
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	956,581	(583,454)
49.	Capital and surplus end of reporting period (Line 33 plus 48)	2,795,531	1,838,950
DETAILS OF WRITE-INS			
4701	.....	
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	21,308,003	19,843,560
2.	Net investment income	11,913	22,136
3.	Miscellaneous income		
4.	Total (Lines 1 through 3)	21,319,916	19,865,696
5.	Benefit and loss related payments	18,341,926	18,465,355
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	2,081,752	2,497,772
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)		42,098
10.	Total (Lines 5 through 9)	20,423,678	21,005,225
11.	Net cash from operations (Line 4 minus Line 10)	896,238	(1,139,530)
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds		
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)		
13.	Cost of investments acquired (long-term only):		
13.1	Bonds		
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)		
14.	Net increase (or decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)		
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock	1,500,000	
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	(835,404)	1,195,178
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	664,596	1,195,178
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	1,560,835	55,648
19.	Cash and short-term investments:		
19.1	Beginning of year	2,909,148	2,853,500
19.2	End of period (Line 18 plus Line 19.1)	4,469,983	2,909,148

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	7,623		6,639					984					
2. First Quarter	7,983		7,011					972					
3. Second Quarter	7,980		7,004					976					
4. Third Quarter	8,241		7,249					992					
5. Current Year													
6. Current Year Member Months	72,224		63,434					8,790					
Total Member Ambulatory Encounters for Period:													
7. Physician	65,663		44,188					21,475					
8. Non-Physician	32,216		6,711					25,505					
9. Total	97,879		50,899					46,980					
10. Hospital Patient Days Incurred	3,606		1,501					2,105					
11. Number of Inpatient Admissions	750		439					311					
12. Health Premiums Written	20,964,453		15,100,023					5,864,430					
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	20,964,453		15,100,023					5,864,430					
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services ...	18,443,942		12,578,055					5,865,887					
18. Amount Incurred for Provision of Health Care Services	19,244,155		13,207,782					6,036,373					

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	290,560	106,386	58,276	25,768	6,142	487,132
0399999 Aggregate Accounts Not Individually Listed - Covered						
0499999 Subtotals	290,560	106,386	58,276	25,768	6,142	487,132
0599999 Unreported claims and other claim reserves						2,382,646
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						2,869,778
0899999 Accrued Medical Incentive Pool And Bonus Amounts						

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical)	1,093,775	11,382,264	51,675	1,837,949	1,145,450	1,259,897
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	579,448	5,286,439	31,995	948,159	611,443	809,668
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	1,673,223	16,668,703	83,670	2,786,108	1,756,893	2,069,565
10.	Other non-health						
11.	Medical incentive pools, and bonus amounts						
12.	TOTALS	1,673,223	16,668,703	83,670	2,786,108	1,756,893	2,069,565

Notes to Financial Statement

- 1. Summary of Significant Accounting Policies
 - A. Accounting Practices
No significant change
 - B. Use of Estimates in the Preparation of the Financial Statements
No significant change
 - C. Accounting Policy
No significant change.

- 2. Accounting Changes and Corrections of Errors
-NOT APPLICABLE

- 3. Business Combinations and Goodwill
-NOT APPLICABLE

- 4. Discontinued Operations
-NOT APPLICABLE

- 5. Investments
-NOT APPLICABLE

- 6. Joint ventures, Partnerships and Limited Liability Companies
-NOT APPLICABLE.

- 7. Investment Income
No significant change.

- 8. Derivative Instruments
-NOT APPLICABLE

- 9. Income Taxes
No significant change.

- 10. Information Concerning Parent, Subsidiaries and Affiliates

The Company received a capital contribution from the Parent Company, Promedica Insurance Corporation, on June 30, 2004, totaling \$1,500,000.

A new Ohio affiliate, Paramount Enchanced Care Management ("PECM"), wholly-owned by Promedica Insurance Corporation, was incorporated during the second quarter exclusively for charitable and educational purposes. PECM does not hold any risk and therefore is not an insurance company. It was organized for the sole purpose of providing care management services to the Ohio Department of Jobs and Family Services.

- 11. Debt
-NOT APPLICABLE

- 12. Retirement Plans, Deferred Compensation, Postemployment Benefits

Notes to Financial Statement

No significant change

13. Capital and Surplus, Shareholders’ Dividend Restrictions and Quasi-Reorganizations

No significant change.

14. Contingencies

-NOT APPLICABLE.

15. Leases

-NOT APPLICABLE

16. Off-Balance Sheet Risk

-NOT APPLICABLE

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

-NOT APPLICABLE

18. Gain or loss to the Reporting Entity from Uninsured A&H Plans and the uninsured Portion of partially Insured Plans

-NOT APPLICABLE

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

-NOT APPLICABLE

20. September 11, 2001

-NOT APPLICABLE

21. Other Items

No significant change.

22. Subsequent Events

No significant change.

23. Reinsurance

No significant change.

24. Retrospectively Rated Contracts

-NOT APPLICABLE

25. Change in Incurred Claims and Claim Adjustment Expenses

No significant change.

26. Intercompany Pooling Arrangements

-NOT APPLICABLE

27. Structured Settlements

Notes to Financial Statement

-NOT APPLICABLE

28. Health Care Receivables

-NOT APPLICABLE

29. Participating Policies

-NOT APPLICABLE

30. Premium Deficiency Reserves

-NOT APPLICABLE

31. Anticipated Salvage and Subrogation

-NOT APPLICABLE

32. Organization and Operation

No significant change.

33. Minimum Net Worth

No significant change.

GENERAL INTERROGATORIES
(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organization chart

Yes[X] No[]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2003
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2003
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

10/28/2004
- 7.4 By what department or departments?
Michigan Department Of Insurance
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[] No[X]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

INVESTMENT

- 10.1 Has there been any changes in the reporting entity's own preferred or common stock?

Yes[] No[X]
- 10.2 If yes, explain:
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
13. Amount of real estate and mortgages held in short-term investments:

\$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Statement Value	Current Quarter Statement Value
14.21	Bonds .....	.....	.....
14.22	Preferred Stock .....	.....	.....
14.23	Common Stock .....	.....	.....
14.24	Short-Term Investments .....	.....	.....
14.25	Mortgages, Loans or Real Estate .....	.....	.....
14.26	All Other .....	.....	.....
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	.....	.....
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....	.....	.....
14.29	Receivable from Parent not included in Lines 14.21 to 14.26 above .....	.....	.....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.
- Yes[] No[X]

Yes[] No[] N/A[X]
16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:
- Yes[] No[X]

1	2
Name of Custodian(s)	Custodian Address
.....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

16.4 If yes, give full and complete information relating thereto:
- Yes[] No[X]

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
.....

12	Schedule A Verification -	NONE
12	Schedule B Verification -	NONE
12	Schedule BA Verification -	NONE
12	Schedule D Verification -	NONE
13	Schedule D Part 1B -	NONE
14	Schedule DA Part 1 -	NONE
14	Schedule DA Part 2 Verification -	NONE
15	Schedule DB Part F Section 1 -	NONE
16	Schedule DB Part F Section 2 -	NONE
17	Schedule S Ceded Reinsurance -	NONE

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date					
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
State, Etc.									
1.	Alabama (AL)	No ..	No ..						
2.	Alaska (AK)	No ..	No ..						
3.	Arizona (AZ)	No ..	No ..						
4.	Arkansas (AR)	No ..	No ..						
5.	California (CA)	No ..	No ..						
6.	Colorado (CO)	No ..	No ..						
7.	Connecticut (CT)	No ..	No ..						
8.	Delaware (DE)	No ..	No ..						
9.	District of Columbia (DC)	No ..	No ..						
10.	Florida (FL)	No ..	No ..						
11.	Georgia (GA)	No ..	No ..						
12.	Hawaii (HI)	No ..	No ..						
13.	Idaho (ID)	No ..	No ..						
14.	Illinois (IL)	No ..	No ..						
15.	Indiana (IN)	No ..	No ..						
16.	Iowa (IA)	No ..	No ..						
17.	Kansas (KS)	No ..	No ..						
18.	Kentucky (KY)	No ..	No ..						
19.	Louisiana (LA)	No ..	No ..						
20.	Maine (ME)	No ..	No ..						
21.	Maryland (MD)	No ..	No ..						
22.	Massachusetts (MA)	No ..	No ..						
23.	Michigan (MI)	No ..	Yes ..	15,100,023	5,864,430				
24.	Minnesota (MN)	No ..	No ..						
25.	Mississippi (MS)	No ..	No ..						
26.	Missouri (MO)	No ..	No ..						
27.	Montana (MT)	No ..	No ..						
28.	Nebraska (NE)	No ..	No ..						
29.	Nevada (NV)	No ..	No ..						
30.	New Hampshire (NH)	No ..	No ..						
31.	New Jersey (NJ)	No ..	No ..						
32.	New Mexico (NM)	No ..	No ..						
33.	New York (NY)	No ..	No ..						
34.	North Carolina (NC)	No ..	No ..						
35.	North Dakota (ND)	No ..	No ..						
36.	Ohio (OH)	No ..	No ..						
37.	Oklahoma (OK)	No ..	No ..						
38.	Oregon (OR)	No ..	No ..						
39.	Pennsylvania (PA)	No ..	No ..						
40.	Rhode Island (RI)	No ..	No ..						
41.	South Carolina (SC)	No ..	No ..						
42.	South Dakota (SD)	No ..	No ..						
43.	Tennessee (TN)	No ..	No ..						
44.	Texas (TX)	No ..	No ..						
45.	Utah (UT)	No ..	No ..						
46.	Vermont (VT)	No ..	No ..						
47.	Virginia (VA)	No ..	No ..						
48.	Washington (WA)	No ..	No ..						
49.	West Virginia (WV)	No ..	No ..						
50.	Wisconsin (WI)	No ..	No ..						
51.	Wyoming (WY)	No ..	No ..						
52.	American Samoa (AS)	No ..	No ..						
53.	Guam (GU)	No ..	No ..						
54.	Puerto Rico (PR)	No ..	No ..						
55.	U.S. Virgin Islands (VI)	No ..	No ..						
56.	Canada (CN)	No ..	No ..						
57.	Aggregate other alien (OT)	X X X ..	X X X ..						
58.	TOTAL (Direct Business)	X X X ..	(a).....1	15,100,023	5,864,430				
DETAILS OF WRITE-INS									
5701	.....	X X X ..	X X X ..						
5702	.....	X X X ..	X X X ..						
5703	.....	X X X ..	X X X ..						
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X ..	X X X ..						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X ..	X X X ..						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

ORGANIZATION CHART

Paramount Care, Inc. is ultimately controlled by ProMedica Health System, Inc. ("ProMedica"), a nonprofit holding company exempt from federal taxation under Section 501(c)(3) and 509(a)(3) of the Internal Revenue Code. The following coding system is used to show the interrelationships among the various members of the insurance holding company system:

- A circle means that ProMedica is the sole member/parent of the entity
- ◆ Each entity marked with a diamond is a subsidiary of the entity listed directly above and denoted with a circle.
- Each entity marked with a square is a subsidiary of the entity listed directly above and marked with a diamond.
- Each entity marked with an arrow is a member of the insurance holding company system.

The following list depicts the identities and interrelationships of affiliated persons within the insurance holding company system.

- ProMedica Foundation, an Ohio nonprofit corporation
- ProMedica Health, Education and Research Corporation, an Ohio nonprofit corporation
- Fostoria Hospital Association, an Ohio nonprofit corporation
 - ◆ Fostoria Community Hospital Foundation, an Ohio nonprofit corporation
- ProMedica Health, Education and Research Corporation Foundation, an Ohio nonprofit corporation
- ProMedica Physician Corporation f/k/a ProMedica Physicians Enterprises, an Ohio nonprofit corporation .
 - ◆ ProMedica Physician Hospital Organization, Inc., an Ohio for-profit corporation and a wholly-owned subsidiary of ProMedica Physician Corporation
 - ◆ ProMedica Physician Group, Inc., an Ohio professional association which is beneficially owned by ProMedica Physician Corporation pursuant to the terms of a Share Control Agreement, dated as of June 2, 1999, by and among ProMedica Physician Corporation, Lee Hammerling, M.D. and ProMedica Physician Group, Inc. Dr. Hammerling holds legal ownership of all outstanding shares of capital stock of ProMedica Physician Group.
 - ProMedica Central Corporation of Michigan, a Michigan nonprofit corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
 - ProMedica Central Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc. as its sole member

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

- ProMedica North Physicians Corporation, a Michigan nonprofit stock corporation and a wholly-owned subsidiary of ProMedica Physician Group, Inc.
- ProMedica West Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc. as its sole member
- ProMedica South Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc. as its sole member
- ProMedica East Physicians, LLC, an Ohio limited liability company with ProMedica Physician Group, Inc. as its sole member
- ProMedica Indemnity Company, Ltd., a Bermuda corporation
- ProMedica Indemnity Corporation, a Vermont nonprofit corporation
- ProMedica Insurance Corporation f/k/a ProMedica Health Ventures Corporation f/k/a Vanguard Health Ventures, Incorporated, an Ohio for-profit corporation
 - ◆ Paramount Preferred Options, Inc., an Ohio for-profit corporation, which is wholly-owned by ProMedica Insurance Corporation
 - ◆ Paramount Care, Inc., an Ohio health-insuring corporation and a wholly-owned subsidiary of ProMedica Insurance Corporation
 - ◆ Paramount Benefits Agency, Inc., an Ohio for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation
 - ◆ Paramount Care of Michigan, Inc., a Michigan for-profit corporation and a wholly-owned subsidiary of ProMedica Insurance Corporation
 - ◆ Paramount Insurance Company f/k/a ProMedica Life Insurance Company, a for-profit corporation and a wholly owned subsidiary of ProMedica Insurance Corporation
 - ◆ Paramount Enhanced Care Management Company, a corporation organized exclusively for charitable and educational purposes, a wholly-owned subsidiary of Promedica Insurance Corporation
- ProMedica Continuing Care Services Corporation f/k/a Crestview of Ohio, Inc., an Ohio nonprofit corporation
 - ◆ Toledo District Nurse Association, an Ohio nonprofit corporation
 - ◆ Visiting Nurse Extra Care, an Ohio nonprofit corporation

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

- ◆ Visiting Nurse Hospice & Health Care, an Ohio nonprofit corporation
- ProMedica Continuing Care Services Corporation Foundation, an Ohio nonprofit corporation
- ◆ Visiting Nurse Foundation, an Ohio nonprofit corporation
- Bay Park Community Hospital, an Ohio nonprofit corporation
- Bay Park Community Hospital Foundation, an Ohio nonprofit corporation
- Defiance Hospital, Inc., an Ohio nonprofit corporation
- Defiance Hospital Foundation, an Ohio nonprofit corporation
- Lenawee Health Alliance, Inc., a Michigan nonprofit corporation
- ◆ Emma L. Bixby Medical Center, a Michigan nonprofit corporation and a wholly-owned subsidiary of Lenawee Health Alliance, Inc.
 - Bixby Community Hospital Foundation, a Michigan nonprofit corporation and a wholly-owned subsidiary of Emma L. Bixby Medical Center
 - Lenawee Long Term Care Corporation, a Michigan nonprofit corporation and a wholly-owned subsidiary of Emma L. Bixby Medical Center
- ◆ Herrick Memorial Hospital, Inc., a Michigan nonprofit corporation and a wholly-owned subsidiary of Lenawee Health Alliance, Inc.
 - Herrick Foundation, a Michigan nonprofit corporation and a wholly-owned subsidiary of Herrick Memorial Hospital, Inc.
 - Herrick Development Corporation, a Michigan nonprofit corporation and a wholly-owned subsidiary of Herrick Memorial Hospital, Inc.
- The Toledo Hospital, an Ohio nonprofit corporation, of which Toledo Children’s Hospital f/k/a ProMedica Children’s Medical Center of Northwest Ohio is a division
- ◆ Reynolds Road Fitness Center, an Ohio corporation that is a wholly owned subsidiary of The Toledo Hospital
- ◆ Reynolds Road Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital has a 67% ownership interest, with various physicians having a

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

remaining 33% interest.

- ◆ Parkway Surgery Center, LLC, an Ohio limited liability company in which The Toledo Hospital has a 40% ownership interest, with various physicians having a remaining 60% interest.
- ◆ Central Region Properties, an Ohio corporation that is a wholly owned subsidiary of The Toledo Hospital.
- The Toledo Hospital Foundation f/k/a ProMedica Foundation, an Ohio nonprofit corporation
- Toledo Children’s Hospital Foundation, an Ohio nonprofit corporation
- Flower Hospital, an Ohio nonprofit corporation
- Flower Hospital Foundation, an Ohio nonprofit corporation

Other Affiliated Entities

- BVPH Ventures, Inc., an Ohio non-profit corporation in which each of ProMedica Health System, Inc. and Blanchard Valley Health Association, an Ohio nonprofit corporation, hold a 50% ownership interest

Lima Memorial Joint Operating Company, an Ohio non-profit corporation, in which Lima Memorial Hospital, an Ohio non-profit corporation, and BVPH Ventures, Inc. each hold a 50% ownership interest.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSES

1. Will the SVO Compliance Certification be filed with this statement?

No

Explanation:

Bar Code:

SVO Compliance Certification



OVERFLOW PAGE FOR WRITE-INS

E01	Schedule A Part 2 -	NONE
E01	Schedule A Part 3 -	NONE
E02	Schedule B Part 1 -	NONE
E02	Schedule B Part 2 -	NONE
E03	Schedule BA Part 1 -	NONE
E03	Schedule BA Part 2 -	NONE
E04	Schedule D Part 3 -	NONE
E05	Schedule D Part 4 -	NONE
E06	Schedule DB Part A Section 1 -	NONE
E06	Schedule DB Part B Section 1 -	NONE
E07	Schedule DB Part C Section 1 -	NONE
E07	Schedule DB Part D Section 1 -	NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances										
1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
Depository			Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
							First Month	Second Month	Third Month	
open depositories										
Sky Bank			Maumee, OH	0.900	5,538		1,547,477	2,728,200	3,469,983	X X X
Sky Bank			Adrian, MI				1,000,000	1,000,000	1,000,000	X X X
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories ..			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	5,538		2,547,477	3,728,200	4,469,983	X X X
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	5,538		2,547,477	3,728,200	4,469,983	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X				X X X
0599999 Total Cash			X X X	X X X	5,538		2,547,477	3,728,200	4,469,983	X X X

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